

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID’S LONG-TERM CONTRACTING : **DOCKET NO. 5085**
FOR RENEWABLE ENERGY RECOVERY FACTOR :

REPORT AND ORDER

On November 13, 2020, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed with the Public Utilities Commission (PUC) its Long-Term Contracting for Renewable Energy Recovery Factor (factor) for the period January 2021 through June 2021.¹ In its filing, National Grid estimated that the six-month contract cost for thirty-five renewable energy contracts, which included twenty-seven distributed generation contracts and eight non-distributed generation contracts, would be \$48,970,718.²

The market value for the energy, Renewable Energy Certificates (RECs), and capacity procured under the contracts is projected to be \$28,009,848 for the same period.³ The difference between the estimated contract costs minus the customer share of forward capacity market proceeds plus related administrative costs and the market value is expected to be \$20,960,870.⁴ The rate billed to customers is calculated by dividing the above-market value by National Grid’s forecasted kilowatt hour (kWh) deliveries for the upcoming six-month period, and adjusting for uncollectibles and the current reconciliation factor. National Grid proposed a reduced factor of

¹ National Grid’s Long-Term Contracting for Renewable Energy Recovery Factor Filing (Nov. 13, 2020) (Filing); [http://www.ripuc.ri.gov/eventsactions/docket/5085-NGrid-LTC%20Recovery%20-%20January%201,%202021%20\(11-13-2020\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5085-NGrid-LTC%20Recovery%20-%20January%201,%202021%20(11-13-2020).pdf).

² Filing at Attach. 1, at 2.

³ One of the projects under contract through the Long-Term Contracting Standard is expected to cost less than the projected market value of the energy for the period. Filing at Attach. 1, at 4.

⁴ *Id.* at Attach. 1, at 4. This amount includes the customers’ share of net Forward Capacity Market (FCM) proceeds totaling \$35,779. Total administrative costs for the FCM is projected to be \$9,799. *Id.* at Attach. 1, p. 6.

\$0.00871 resulting in a decrease of \$0.31 per month for a residential customer using 500 kWh per month.⁵

On December 18, 2020, the Division of Public Utilities and Carriers (Division) filed with the PUC a memorandum summarizing the filing and recommending approval of the proposed Factor for effect on January 1, 2021. In his memorandum, Division Chief Regulatory Analyst, Alberico Mancini, noted that the small decrease in the proposed Factor from the currently effective Factor is the result of an increased generator output and contract cost being offset by an increased estimated market revenues from the sale of energy, RECs, and capacity. Mr. Mancini opined that the Company's calculations were correct and that the filing was in accordance with the PUC's order in Docket No. 4676, which approved the Long Term Contracting for Renewable Energy Resources Provision, and therefore recommended that the factor be approved as filed.⁶

At an Open Meeting on December 22, 2020, the PUC reviewed the filing. The Commission found that the filing complied with the requirements of the tariff but found that the forecasted deliveries for 2021 was unreasonably low. Adjusting the forecast upwards results in a lower factor than that proposed by the Company. On December 23, 2020, National Grid submitted a compliance filing calculating a six-month rate of \$0.00844 per kWh. This is a decrease of \$0.00087 per kWh from the currently effective factor. The bill impact on a residential customer using 500 kWh per month would be a decrease of \$0.45 per month or 0.4%.⁷ On December 30, 2020, the Commission reviewed the compliance filing and approved it for electricity consumed on and after January 1, 2021.

⁵ Filing at Attach. 1.

⁶ Mem. of Alberico Mancini (Dec. 18, 2020); <http://www.ripuc.ri.gov/eventsactions/docket/5085-DIV-Memo%2012-18-20.pdf>.

⁷ Compliance Filing Letter; Compliance Attachment 1; [http://www.ripuc.ri.gov/eventsactions/docket/5085-NGrid-%202020LTC-ComplianceFiling%20\(12-23-2020\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5085-NGrid-%202020LTC-ComplianceFiling%20(12-23-2020).pdf).

Accordingly, it is hereby

(23968) ORDERED:

1. The Narragansett Electric Company d/b/a National Grid's Long-Term Contracting for Renewable Energy Recovery Factor of \$0.00871 per kWh for electricity consumed on and after January 1, 2021, is hereby denied.
2. The Narragansett Electric Company d/b/a National Grid's revised Long-Term Contracting for Renewable Energy Recovery Factor of \$0.00844 per kWh for electricity consumed on and after January 1, 2021, is hereby approved.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2021 PURSUANT TO OPEN MEETING DECISIONS ON DECEMBER 22, 2020 AND DECEMBER 30, 2020. WRITTEN ORDER ISSUED JANUARY 7, 2021.

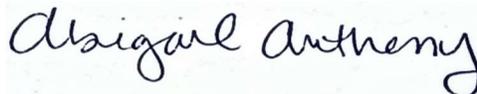
PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Marion S. Gold, Commissioner



Abigail Anthony, Commissioner

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.